

FISCAL NOTE

SB 619 - HB 644

March 24, 2001

SUMMARY OF BILL: Amends TCA 67-4-2011(b) relative to excise tax law as follows:

- Defines *property*, for purposes of the section listed above, to include a taxpayer's ownership share of the real or tangible property owned or rented by any general partnership, or entity treated as a general partnership for federal income tax purposes, in which such taxpayer has an ownership interest. A return being filed by a limited liability company that has a general partnership as its single member shall include in its property factor only the real and tangible property owned or used by the limited liability company.
- Further defines *property* to include a taxpayer's ownership share of the real or tangible property owned or rented by any limited partnership, subchapter S corporation, limited liability company or other entity treated as a partnership for federal income tax purposes, in which the taxpayer has an ownership interest, directly or indirectly through one or more such entities, and which is not doing business in Tennessee and, therefore, is not subject to Tennessee franchise tax. The cost value or rental value of such property shall be determined from the books and records of the entity in which the taxpayer has an interest and such property shall be valued in accordance with provisions of subsection c of the TCA 67-4-2011.

ESTIMATED FISCAL IMPACT:

MINIMAL

Bill defines property for the TCA sections listed but changes made by the bill do not materially impact the franchise tax law.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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